

# TennCare Delivery System Reform

The Tennessee Health Care Innovation Initiative was launched in February 2013 to **change the way health care is paid for in Tennessee**. The goal of the initiative is to move from paying for volume to paying for value by rewarding health care providers for delivering high quality and efficient treatment. There are three strategies to delivery system reform: Primary Care Transformation, Episodes of Care, and Long-Term Services and Supports

## Episodes of Care

### What is an Episode of Care ?

An **episode of care** encompasses all the health care services a patient receives during a specified time period for the treatment of a physical or behavioral health condition.

Episodes often involve multiple independent providers. The accountable provider is the person most able to influence the cost and quality of the episode.

#### Episodes of care:

- **Reward** high-quality care.
- **Promote** the use of clinical pathways and evidence-based guidelines.
- **Encourage** coordination.
- **Reduce** ineffective and/ or inappropriate care.

### 48 Retrospective Episodes of Care



Examples of Episodes Include:

- Perinatal
- Total Joint Replacement
- Acute Asthma Exacerbation
- Attention Deficit Hyperactivity Disorder (ADHD)
- Appendectomy
- Colonoscopy



**\$40.6 million  
in budget  
reductions  
through  
FY19**



**While,  
maintaining or  
improving  
quality for  
most episodes.**

TN

Division of  
**TennCare**

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## Primary Care Transformation

Tennessee's Primary Care Transformation strategy assists providers in promoting better quality care, improving population health, and reducing the cost of care.

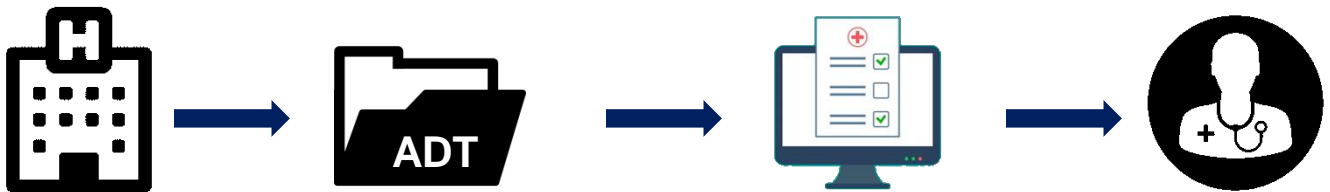
### Patient-Centered Medical Homes (PCMH)

- A comprehensive care delivery model designed to improve the quality of primary care services for TennCare members.
- The PCMH program covers approximately 500,000 TennCare members through over 300 locations throughout the state.

### Tennessee Health Link

- A care coordination program for TennCare members with the highest behavioral health needs.
- Twenty-two Community Mental Health Centers and behavioral health providers serve approximately 70,000 TennCare members in this program.

The **Care Coordination Tool** provides actionable, real-time information in a secure online portal to PCMH and Tennessee Health Link providers. Providers can use the tool to see when a member has had an admission, discharge, or transfer (ADT) from almost any Tennessee hospital or emergency room.



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## Long-Term Services and Supports

Working in partnership with stakeholders, Tennessee is implementing quality- and acuity-based payment and delivery system reform for Long-Term Services and Supports, including:

- Nursing Facility services;
- Home and Community Based Services (HCBS) for seniors and adults with physical, intellectual and developmental disabilities (I/DD).

Payment for services will promote the delivery of high quality, person-centered care, aligning payment with performance based on measures that are most important to people who receive services and their family/caregivers. The initiative also focuses on workforce development as a foundational element of building capacity to deliver high quality LTSS.

Highlights include:

- A new nursing home payment structure that takes into account the acuity of residents and the quality of care provided.
- A 25% reduction in payments to nursing homes for complex respiratory care with more people weaned from the ventilator and reductions in adverse outcomes (infections, hospitalizations, deaths).
- A workforce development program and investments/incentives to help providers increase the competency of direct support staff and improve workforce recruitment and retention.